



Consumer Federation of America

August 7, 2009

Mr. Leonard Chanin
Consumer and Community Affairs Division
Federal Reserve System
1709 New York Avenue, NW
Washington, DC 20006

Dear Mr. Chanin:

As the Federal Reserve Board acts to implement the provisions of the recently enacted Credit Card Accountability, Responsibility and Disclosure (CARD) Act (Public Law 111-24), I would like to bring to your attention one issue with which CFA is concerned. It relates to the implementation of a provision of the recently enacted Credit CARD Act that is set to take effect later this month as it affects a very unusual loan product offered by credit unions. Section 106 of the Act requires that creditors may not treat a payment on any open end plan as late unless they have adopted reasonable procedures to ensure that periodic statements have been mailed at least 21 days prior to the due date.

As you know, the primary focus of this requirement is to ensure that credit card issuers provide consumers with adequate time to respond to billing statements, in order to make their payment before the due date. It is a very important provision that will help consumers who responsibly pay their bills avoid unjust late payment fees.

The provision will also affect other forms of open end credit, including multi-featured credit plans with sub-accounts that credit unions have been permitted to offer for decades. These open end accounts often have closed end sub-accounts, such as car loans. Many credit unions have developed consolidated statement systems for these sub-accounts, such as automobile loans, but not for their credit card accounts. It is the use of consolidated statements in particular that is apparently causing many credit unions to have a difficult time meeting the implementation deadline for this requirement, which is August 20th.

CFA requests that the Federal Reserve Board consider allowing credit unions more time to meet this deadline for their open end loans other than credit cards. (We understand that credit unions will be implementing this provision as it pertains to credit cards on time.) We believe that the credit unions have identified legitimate implementation difficulties for a complicated and useful product that was not the primary focus of this requirement. CFA has worked with credit unions closely over the years, and

we know that they will make every effort to comply with this provision as quickly as possible.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Travis Plunkett". The signature is written in a cursive style with a large initial "T" and a long, sweeping underline.

Travis Plunkett
Legislative Director
Consumer Federation of America